UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER OF PATENTS AND TRADEMARKS
Washington, D.C. 20231
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/324,920	06/03/1999	JIM DEGRAAF	1960.122	2172

1059 7590 11/06/2002

BERESKIN AND PARR
SCOTIA PLAZA
40 KING STREET WEST-SUITE 4000 BOX 401
TORONTO, ON M5H 3Y2
CANADA

EXAMINER
BASHORE, ALAIN L

ART UNIT	PAPER NUMBER
3624	

DATE MAILED: 11/06/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Interview Summary	Application No.	Applicant(s)	
	09/324,920	DEGRAAF ET AL.	
	Examiner	Art Unit	
	Alain L. Bashore	3624	

All participants (applicant, applicant's representative, PTO personnel):

(1) *Alain L. Bashore*.

(2) *Mr. Kendrick Low*.

(3)*Mr. Ben De Prisco*.

(4)*Mr. Jim Degraaf*.

Date of Interview: *23 January 2002* .

Type: a)☒ Telephonic b)☐ Video Conference
c)☐ Personal [copy given to: 1)☐ applicant 2)☐ applicant's representative]

Exhibit shown or demonstration conducted: d)☐ Yes e)☒ No.
If Yes, brief description: _____ .

Claim(s) discussed: *n/a* .

Identification of prior art discussed: *French and Ruffin et al.* .

Agreement with respect to the claims f)☐ was reached. g)☒ was not reached. h)☐ N/A.

Substance of Interview including description of the general nature of what was agreed to if an agreement was reached, or any other comments: *Arguments were presented (see attached copy of fax) regarding recitation to "simulation" and what is disclosed to French and Ruffin et al.* .

(A fuller description, if necessary, and a copy of the amendments which the examiner agreed would render the claims allowable, if available, must be attached. Also, where no copy of the amendments that would render the claims allowable is available, a summary thereof must be attached.)

i)☒ It is not necessary for applicant to provide a separate record of the substance of the interview(if box is checked).

Unless the paragraph above has been checked, THE FORMAL WRITTEN REPLY TO THE LAST OFFICE ACTION MUST INCLUDE THE SUBSTANCE OF THE INTERVIEW. (See MPEP Section 713.04). If a reply to the last Office action has already been filed, APPLICANT IS GIVEN ONE MONTH FROM THIS INTERVIEW DATE TO FILE A STATEMENT OF THE SUBSTANCE OF THE INTERVIEW. See Summary of Record of Interview requirements on reverse side or on attached sheet.

VINCENT MILLIN
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600

Examiner Note: You must sign this form unless it is an Attachment to a signed Office action.

Examiner's signature, if required

Summary of Record of Interview Requirements

Manual of Patent Examining Procedure (MPEP), Section 713.04, Substance of Interview Must be Made of Record
A complete written statement as to the substance of any face-to-face, video conference, or telephone interview with regard to an application must be made of record in the application whether or not an agreement with the examiner was reached at the interview.

Title 37 Code of Federal Regulations (CFR) § 1.133 Interviews
Paragraph (b)
In every instance where reconsideration is requested in view of an interview with an examiner, a complete written statement of the reasons presented at the interview as warranting favorable action must be filed by the applicant. An interview does not remove the necessity for reply to Office action as specified in §§ 1.111, 1.135. (35 U.S.C. 132)

37 CFR §1.2 Business to be transacted in writing.
All business with the Patent or Trademark Office should be transacted in writing. The personal attendance of applicants or their attorneys or agents at the Patent and Trademark Office is unnecessary. The action of the Patent and Trademark Office will be based exclusively on the written record in the Office. No attention will be paid to any alleged oral promise, stipulation, or understanding in relation to which there is disagreement or doubt.

The action of the Patent and Trademark Office cannot be based exclusively on the written record in the Office if that record is itself incomplete through the failure to record the substance of interviews.

It is the responsibility of the applicant or the attorney or agent to make the substance of an interview of record in the application file, unless the examiner indicates he or she will do so. It is the examiner's responsibility to see that such a record is made and to correct material inaccuracies which bear directly on the question of patentability.

Examiners must complete an Interview Summary Form for each interview held where a matter of substance has been discussed during the interview by checking the appropriate boxes and filling in the blanks. Discussions regarding only procedural matters, directed solely to restriction requirements for which interview recordation is otherwise provided for in Section 812.01 of the Manual of Patent Examining Procedure, or pointing out typographical errors or unreadable script in Office actions or the like, are excluded from the interview recordation procedures below. Where the substance of an interview is completely recorded in an Examiners Amendment, no separate Interview Summary Record is required.

The Interview Summary Form shall be given an appropriate Paper No., placed in the right hand portion of the file, and listed on the "Contents" section of the file wrapper. In a personal interview, a duplicate of the Form is given to the applicant (or attorney or agent) at the conclusion of the interview. In the case of a telephone or video-conference interview, the copy is mailed to the applicant's correspondence address either with or prior to the next official communication. If additional correspondence from the examiner is not likely before an allowance or if other circumstances dictate, the Form should be mailed promptly after the interview rather than with the next official communication.

The Form provides for recordation of the following information:
- Application Number (Series Code and Serial Number)
- Name of applicant
- Name of examiner
- Date of interview
- Type of interview (telephonic, video-conference, or personal)
- Name of participant(s) (applicant, attorney or agent, examiner, other PTO personnel, etc.)
- An indication whether or not an exhibit was shown or a demonstration conducted
- An identification of the specific prior art discussed
- An indication whether an agreement was reached and if so, a description of the general nature of the agreement (may be by attachment of a copy of amendments or claims agreed as being allowable). Note: Agreement as to allowability is tentative and does not restrict further action by the examiner to the contrary.
- The signature of the examiner who conducted the interview (if Form is not an attachment to a signed Office action)

It is desirable that the examiner orally remind the applicant of his or her obligation to record the substance of the interview of each case unless both applicant and examiner agree that the examiner will record same. Where the examiner agrees to record the substance of the interview, or when it is adequately recorded on the Form or in an attachment to the Form, the examiner should check the appropriate box at the bottom of the Form which informs the applicant that the submission of a separate record of the substance of the interview as a supplement to the Form is not required.

It should be noted, however, that the Interview Summary Form will not normally be considered a complete and proper recordation of the interview unless it includes, or is supplemented by the applicant or the examiner to include, all of the applicable items required below concerning the substance of the interview.

A complete and proper recordation of the substance of any interview should include at least the following applicable items:
1) A brief description of the nature of any exhibit shown or any demonstration conducted,
2) an identification of the claims discussed,
3) an identification of the specific prior art discussed,
4) an identification of the principal proposed amendments of a substantive nature discussed, unless these are already described on the Interview Summary Form completed by the Examiner,
5) a brief identification of the general thrust of the principal arguments presented to the examiner,
   (The identification of arguments need not be lengthy or elaborate. A verbatim or highly detailed description of the arguments is not required. The identification of the arguments is sufficient if the general nature or thrust of the principal arguments made to the examiner can be understood in the context of the application file. Of course, the applicant may desire to emphasize and fully describe those arguments which he or she feels were or might be persuasive to the examiner.)
6) a general indication of any other pertinent matters discussed, and
7) if appropriate, the general results or outcome of the interview unless already described in the Interview Summary Form completed by the examiner.

Examiners are expected to carefully review the applicant's record of the substance of an interview. If the record is not complete and accurate, the examiner will give the applicant an extendable one month time period to correct the record.

Examiner to Check for Accuracy

If the claims are allowable for other reasons of record, the examiner should send a letter setting forth the examiner's version of the statement attributed to him or her. If the record is complete and accurate, the examiner should place the indication, "Interview Record OK" on the paper recording the substance of the interview along with the date and the examiner's initials.

Bereskin & Parr

Scotia Plaza, 40 King Street West, 40th Floor
Toronto, Ontario, Canada M5H 3Y2
t: 416 364 7311 f: 416 361 1398

TELEFAX TRANSMITTAL

TO: Examiner Bashore

FIRM: United States Patent Office

FAX NO.: 703-746-7353

FROM: Kendrick Lo

DATE: October 16, 2002

PAGES: 3
(Including cover sheet)

File No.: 11483-33
Lawyer No.: 199

If transmission is interrupted or of poor quality, please notify us immediately by calling Shelley Cotgrave at (416) 364-7311, ext. 6274

COMMENTS:

Received from < 416 361 1398 > at 10/16/02 4:14:24 PM [Eastern Daylight Time]

Bereskin & Parr

Barristers and Solicitors/Patent and Trade Mark Agents
Practice Restricted to Intellectual Property Law

October 16, 2002

Kendrick Lo B.A.Sc. (Eng. Sci.), MBA, J.D.
416 957 1685 klo@bereskinparr.com

Your Reference: 09/324,920
Our Reference: 11483-33

Privileged and Confidential
By Fax: (703) 746-7353

Examiner Bashore
c/o The Commissioner of Patents
& Trademarks
Washington, D.C.
U.S.A. 20231

Dear Sir:

Re: United States Patent Application No. 09/324,920
For: RISK MANAGEMENT SYSTEM AND METHOD PROVIDING RULE-BASED EVOLUTION OF A PORTFOLIO OF INSTRUMENTS
Filed: June 3, 1999
Inventors: Degraaf et al.

Thank you for granting us a telephone interview in respect of the above application.

Further to our conversation of October 10, 2002, I am forwarding to you in advance of the interview some comments regarding the invention as you requested. We agreed to schedule the interview for 2:30 p.m. EST on Wednesday, October 23, 2002. We will initiate the call from our offices, and contact you at (703) 308-1884. If you prefer a different arrangement, please let us know.

Thank you for your attention in this matter. Please feel free to contact us if you have any questions.

Yours truly,

Kendrick Lo
Encl.

please send your reply to:

Scotia Plaza, 40 King Street West, 40th Floor
Toronto, Ontario, Canada M5H 3Y2
416 364 7311 fax: 416 361 1398

Meadowvale Corporate Centre, 2000 Argentia Road
Plaza 4, Suite 430, Mississauga, Ontario, Canada L5N 1W1
905 812 3600 fax: 905 814 0031

www.bereskinparr.com

Comments

From our review of the office action issued September 18, 2002, we believe that it is necessary to clarify a fundamental difference between the Applicant's invention and the prior art, which does not yet appear to be fully appreciated. It appears that the **French** patent is primarily relied upon in rejecting the claims on the grounds of obviousness, and that the agents in **French** are deemed to perform "simulation" (at paragraph 3 of the office action).

However, the Applicant's invention does not merely require "a simulation" to be performed. In French, any "simulation" that is deemed to be performed is done prior to the assessment of an agent's performance occurs in the past. Any losses that the agent incurs as a result of buy or sell trade executions are fully realized before the assessment of the agent's performance. In other words, how well an agent performs is based solely on its past performance.

It would be clearly appreciated by persons skilled in the art that the methods in French would not be considered a technique to manage or determine risk associated with a portfolio, since it is understood that the management or determination of *risk* requires that the desirability of a portfolio be assessed before that risk (i.e. of loss) is actually realized.

The Applicant's invention is fundamentally and materially different from French in that the "simulation" relates to the simulated future evolution of a portfolio. To explain the invention intuitively, synthetic "copies" of the user's portfolio is made, and those "copies" are then processed under a number of different possible future scenarios, none of which have yet to occur (and in fact, there is no guarantee that any of those future scenarios will actually occur). The composition of the "copies" of the portfolio undergoes "virtual" changes (over a series of "virtual" time steps). After these changes are modelled, each copy will have a certain final composition depicting possible outcomes, which is used in the calculation of a risk measure for the user's portfolio. The risk measure will reflect the final composition of each of the "copies" and the probability that their respective scenarios under which they were modelled might occur.

In any event, the copies and the modelled changes are not real. The simulation only predicts what *might* happen to the user's portfolio in the future and the risk that the user's portfolio *might* be exposed to. No losses (or gains) are actually realized when the risk measure of the user's portfolio is calculated. The Applicant's method can thus be used to manage or determine risk associated with a portfolio, since it provides a user with a way to evaluate how risky a portfolio may be today, before any losses (or gains) are actually incurred. The Applicant's approach is fundamentally different from any of the prior art cited in this manner, and further, the claims are directed to specific steps of a method of modelling changes to these synthetic "copies" of the user's portfolio, also not suggested in the cited art.